$66,000 − $15,000 = $51,000;

Step (5) Result of step 4 multiplied by your price election

$51,000 × .75 = $38,250;

Step (6) Result of step 5 multiplied by your share

$38,250 × 1.000 = $38,250 indemnity payment.

Your peak amount of insurance is reduced to zero. Your amount of insurance is reduced by the amount the indemnity exceeds the peak amount of insurance. $48,000 − ($38,250 − $33,750) = $48,000 − $4,500 = $43,500

Multiple Unit Multiple Loss Example

Assume you have a 100 percent share and the plant inventory value reported by you is $100,000, your coverage level is 75 percent, and your price election is 75 percent. You have elected optional units and have two optional units, unit 1 and unit 2. Your amount of insurance is $56,250 ($100,000 × .75 × .75). You have a loss on unit 1 and no loss on unit 2. At the time of loss, field market value A on unit 1 is $60,000, field market value B on unit 1 is $18,000, and field market value C is $125,000. The under report factor is .80 ($100,000 ÷ $125,000). The deductible percentage is 25 percent (100 − 75), the crop year deductible is $25,000 (.25 × $100,000) and the occurrence deductible is $12,000 (.25 × $60,000 × .80). Your indemnity would be calculated as follows:

Step (1) Determine the under report factor

$100,000 ÷ $125,000 = .80;

Step (2) Field market value A minus field market value B

$60,000 − $18,000 = $42,000;

Step (3) Result of step 2 multiplied by the under report factor (step 1)

$42,000 × .80 = $33,600;

Step (4) Result of step 3 minus the occurrence deductible

$33,600 − $12,000 = $21,600;

Step (5) Result of step 4 multiplied by your price election

$21,600 × .75 = $16,200;

Step (6) Result of step 5 multiplied by your share

$16,200 × 1.000 = $16,200 indemnity payment.

Your crop year deductible is reduced to $13,000 ($25,000 − $12,000). Your amount of insurance is reduced to $40,050 ($56,250 − $16,200). You do not restock unit 1 after the first loss. Values on unit 2 do not change from the those measured at the time of the loss on unit 1. Assume you have a second loss during the crop year but this time on unit 2. Field market value A on unit 2 is $65,000, Field market value B on unit 2 is $ 0.00 and field market value C on the basic unit is $83,000. Your loss would be determined as follows:

Step (1) Determine the under report factor

$66,400 ÷ $83,000= .80;

Step (2) Field market value A minus field market value B

$65,000 − $0.00 = $65,000;

Step (3) Result of step 2 multiplied by the under report factor (step 1)

$65,000 × .80 = $52,000;

Step (4) Result of step 3 minus the occurrence deductible

$52,000 − $13,000 = $39,000;

Step (5) Result of step 4 multiplied by your price election

$39,000 × .75 = $29,250;

Step (6) Result of step 5 multiplied by your share

$29,250 × 1.000 = $29,250 indemnity payment.

[63 FR 50975, Sept. 24, 1998; 63 FR 57046, Oct. 26, 1998]

§ 457.163 Nursery peak inventory endorsement.

Nursery Crop Insurance

Peak Inventory Endorsement

This endorsement is not continuous and must be purchased for each crop year to be effective for that crop year.

In return for payment of premium for the coverage contained herein, this endorsement will be attached to and made part of the Nursery Crop Insurance Provisions, subject to the terms and conditions described herein.

1. Definitions

Coverage commencement date. The later of the date you declare as the beginning of the coverage or 30 days after a properly completed peak inventory value report is received by us.

Coverage term. A period of time that begins on the coverage commencement date and ends on the coverage termination date.

Coverage termination date. The date you declare that the peak amount of insurance will cease. This date cannot be after the end of the crop year.

Peak amount of insurance. The additional inventory value reported on the peak inventory value report for each basic unit multiplied by the coverage level, price election you elected for the crop and county, and by your share.

Peak inventory value report. A report that increases the value of insurable plants over the value reported on the plant inventory value report, declares the coverage commencement and coverage termination dates, and the other requirements of section 6 of the Nursery Crop Insurance Provisions.

Restock. Replacement of lost or damaged plants that increase the value of your insurable inventory to an amount greater than your remaining amount of insurance.

2. Eligibility

(a) You must have insurance under the Nursery Crop Insurance Provision, 7 CFR 457.162, in effect for the crop year that this endorsement applies;

(b) You must have elected either the limited or additional level of coverage.

(c) You must submit a peak inventory value report which will serve as the application for coverage under this endorsement. We may reject the peak inventory value report if all requirements in this endorsement and the Nursery Crop Insurance Provisions are not met.

(d) You may purchase no more than two Peak Inventory Endorsements for each practice during the crop year unless you have suffered insured losses and have restocked your nursery.

3. Coverage

(a) The amount of insurance provided under the Nursery Crop Insurance Provisions is increased by the peak amount of insurance for the coverage term.

(b) Except as provided herein, this endorsement does not change, amend or otherwise modify any other provision of your Nursery Crop Insurance Policy.

4. PEAK INSURANCE PERIOD

Coverage begins at 12:01 a.m. on the coverage commencement date and ends at 11:59 p.m. on the coverage termination date.

5. Premium

(a) The premium for this endorsement is determined by multiplying the peak amount of insurance by the appropriate premium rate and by any premium adjustment factors listed in the actuarial documents that may apply.

(b) The premium for this endorsement is due and payable in accordance with section 7 of the Nursery Crop Insurance Provisions.

6. Reporting Requirements

In addition to the reporting requirements of section 6 of the Nursery Crop Insurance Provisions, you must submit a peak inventory value report on our form.

7. Liability Limit

The peak amount of insurance is limited to the practice value you declare under the Nursery Crop Insurance Provisions.

[63 FR 50979, Sept. 24, 1998; 63 FR 57047, Oct. 26, 1998]

§ 457.165 Millet crop insurance provisions.

The Millet Crop Insurance Provisions for the 2003 and succeeding crop years are as follows:

FCIC policies:

UNITED STATES DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Reinsured policies:

(Appropriate title for insurance provider)

Both FCIC and reinsured policies:

Millet Crop Insurance Provisions

If a conflict exists among the policy provisions, the order of priority is as follows: (1) The Catastrophic Risk Protection Endorsement, if applicable; (2) the Special Provisions; (3) these Crop Provisions; and (4) the Basic Provisions with (1) controlling (2), etc.

1. *Definitions.*

Bushel. Fifty pounds of millet, or any other quantity which is designated in the Special Provisions for that purpose.

Harvest. Combining or threshing the millet for grain. A crop that is swathed prior to combining is not considered harvested.

Late planting period. In lieu of the definition of ''Late planting period'' contained in section 1 of the Basic Provisions, late planting period is defined as the period that begins the day after the final planting date for the insured crop and ends 20 days after the final planting date.

Local market price. The cash price for millet with a 50-pound test weight adjusted to zero percent foreign material content basis offered by buyers in the area in which you normally market the millet. Factors not associated with grading, including, but not limited to moisture content, will not be considered.

Millet. Proso millet produced for grain to be used primarily as bird and livestock feed.

Nurse crop (companion crop). A crop planted into the same acreage as another crop, that is intended to be harvested separately, and that is planted to improve growing conditions for the crop with which it is grown.

Planted acreage. In addition to the definition of ''Planted acreage'' contained in section 1 of the Basic Provisions, planted acreage is also defined as land on which seed is initially spread onto the soil surface by any method and is subsequently mechanically incorporated into the soil in a timely manner and at the proper depth. Acreage planted in any manner not contained in the definition of ''planted acreage'' will not be insurable unless otherwise provided by the Special Provisions.

Swathed. Severance of the stem and grain head from the ground without removal of the seed from the head and placing into a windrow.

Windrow. Millet that is cut and placed in a row.

2. *Insurance Guarantees, Coverage Levels, and Prices for Determining Indemnities.*

In addition to the requirements of section 3 of the Basic Provisions, you may select